App.F.IX-4

192[illegible]

File o. 127-25

Previous References (mc)

mme 202-2081-2
48-25 = 527.

Serial Nos. 5 68

Later references.

mc 68 - 72 (61/78)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for Misc 26

SUBJECT

Abolition of octroi on all articles excepting piece goods in Chitaldrug municipality

8 Jo, The Deputy Commissioner, Chitaldrug
The Comptroller to Govt & the Director
of Industries & Commerce & the Traffic
Manager, Mysore Railways.
No. d. 6456-9/d 14.4.26.

Sanctions the proposal
of the Municipal Council subject
to the Condition mentioned in the
Resolution of the municipal Council.

8.5.26.

38295

Tel Add. Committee

B. Venkataramiya.
Vice-President.
Market Committee.

Chitaldrog.

Date 27th Feb 26

To The Secretary Local and Legislative Depts
Govt Of Mysore, Bangalore.

Respected Sir,

I most respectfully beg to bring to your kind notice that the Proceedings of the public meeting held on the 23rd October 1925 regarding the abolition of Octroi duty, sent to your office with a covering letter D 2915 is pending disposal. The public of this place are very anxious to know how far the matter has been receiving the attention of Government.

I therefore humbly request that an early reply may kindly be given to me for the action taken in the matter of the abolition of octroi duty at Chitaldroog. Further I pray that all necessary actions may kindly be taken for the speedy disposal of the matter.

I beg to remain

Respected sir
Your most obedient servant
B. Venkataramiya

From
B. Venkataramiya
Convener
Public meeting.

Subd.

Flag F

The previous letter referred to was forwarded to the Dy. Comr. Chitaldrug for disposal by the Municipl Council on 30.11.25.

The Dy. Comr has now subd for sanction the resolution of the Municipl Council Chitaldrug for abolition of octroi on all articles excepting piece goods cloth, Kerosine oil and betel leaves vide his letter dy 14. march 26. which is linked with D. No 5403 and subd for orders.

(P.U.D.)

General and Revenue Secretariat — Pol File No. 127 of 1925

Serial No 5

From
The Dy Comr, Chittagong Dist
No. Pol. 71 of 25-26 Dy 1st March 26.

Requests sanction to the resolution of the Municipl Council, Chittagong for the abolition of octroi on all articles excepting piece-goods, Cloth, Kerosine oil and betel leaves

Subd with references for orders.

put up receipt
cath 4/3

Attention is invited to the accompanying resolution. For orders whether draft Sanchy may be subd or whether more definite information be called for (1) How much would be lost by the proposed abolition of octroi and how (11) it is proposed to make it good

HF 6/3/26

(1) In this, please see Mr Bartley's letter para 2. Please put up. File Ml 202-W-2 & Ml 63-23-7 also

Hy Pl
Hy J

HF 9/3

Subd
Attended to
cath 10/3 HF 11/3.

6 From The Dy. Comr. Chittagong Dist
No. Pol. 71 of 25-26 Dy. 3rd March 26
In continuation of the letter regd to

Sheet

ral and Revenue Secretariat

Vol. File No. 12

Serial No

in Sl 5 forwards for information letter dy 25th Feby 26 and its enclosure in original from the Traffic Manager, Nagpore Railways forwarding an extract from a note subd. to him by the Cotton Market Committee of Chitaldrug on the same subject and states that the statistics furnished in the Traffic Manager's letter seem to emphasise the need for the early abolition of octroi at Chitaldrug as proposed by the Town Municpl Council.

Subd for orders.

12/3/26

7 From

The Director of I & C.

No. G. 772/C.S. dy 12th March 1926

Requests for reasons stated sanction to the proposals of the Municpl Council of Chitaldrug to abolish the levy of octroi duties on all articles except cotton goods, Kerosine oil and betel leaves.

Subd for orders.

The recommendation for 12/3/26 the abolition of the octroi duty except on piece goods, Kerosine oil & betel leaves which has the support of the D[illegible] & the Cotton Committee of Chitaldrug may perhaps be sanctioned. The letter of the

Sheet

WD 01284—GPB—40,000—17-12-25
App. F. III—2]

General and Revenue Secretariat

Jail File No. 127 of 1925

Serial No.

Remarks, Note Sheet

Mr. Mudaliar explains the situation as regards the Head explains the situation as regards the Head revenue. The temporary loss is expected to be made up by increased income from erection of Godowns &c. The proposal is also expected to improve the Trade Conditions of the town

L.R.Reay) 28/3/25.

Resolution of the Council may be approved.

Sd/ 16/3

Sd/ 18/3

Hon'ble Mr.

Appd Subject to the conditions mentioned in the resolution

Sd/ 28.3.25

Sd/ 29.3

Sd/ Pleas 28/3/25

Submitted with a draft G.O. for approval.

Sd/ 31/3. Sd/ Hon'ble Minister for Local Self Govt.

Minister for Local Self Govt. Mean Municipalities as Corporations

28/3/25

Minister for Local Self Govt.

Sd/ 5/4.

Draft note for Consideration

28/3/25

L.R.Reay)

Minister for Local Self Govt. 28/3/25

Sd/ 6/4

Appd

Sd/ 6/4

Sd/

[illegible]-GPS-40,000-17-12-26
App. F. III—2]

cal and Revenue Secretariat | ml File No. 127 of 192 5

Serial No. 8

To, The Deputy Commissioner, Chitaldrug
The Comptroller to Govt.
The Director of Industries & Commerce
The Traffic manager, Mysore Rys.
No. L 6456-9/d 14.4.26.

Sanctions the proposal of the Municipal Council, Chitaldrug for the abolition of octroi excepting on piece-goods etc. subject to the Condition mentioned in the resolution of the Municipal Council

B. W. Note

Street

Tel: Address:—Dygcom, CHITALDRUG.

36421

In reply, please refer to
No.... L. 71 of 25-26
Enclosures. Three ang.

OFFICE OF THE DEPUTY COMMISSIONER,
CHITALDRUG DISTRICT.

Dated Chitaldrug, 27th February 192 6
1st March

FROM

S. VENKATRANGAM, ESQ., B.A., B L.,
Deputy Commissioner,
Chitaldrug District.

GENERAL & REVENUE SEC. 5703

To
B.
2 MAR 1926

appa Esquire Bar-at-Law.,
Secretary to the Government of Mysore,
Local and Legislative Departments,
~~*BANGALORE.*~~

W 129-25-5

W 8-25-15

With reference to your official memorandum No.L.3937/M1. 13
48-25-7 dated 30th November 1925 forwarding a petition from Mr. W. irumala Rao in the matter of the abolition of Octroi on all articles except cloth in the Chitaldrug municipality, I have the honor to forward herewith letter No.602 dated 22nd February 1926 received from the President, Town Municipal Council, Chitaldrug and its one enclosure in original submitting a full report on the subject and to request that in the circumstances detailed in it Government may be kindly moved to sanction the abolition of octroi on all articles excepting piece-goods, cloth, kerosine oil and betel leaves as resolved by the Municipal Council unanimously at the special meeting of the council held on 29th January 1926.

I have the honor to be,

S I R,

Your most obedient servant,

S. Venkatrangam

Deputy Commissioner,

Chitaldrug District.

S.V.

In all future correspondence please quote
No. 602 Ger

Enclosures:

OFFICE OF THE PRESIDENT, TOWN MUNICIPAL COUNCIL,
CHITALDROOG.

DEPUTY COMMISSIONER'S OFFICE, CHITALDRUG. Mk.
No. 010804 25 FEB. 1926

Dated 22nd February 1926.

FROM

S. VENKATRANGAM, ESQ., B.A., B.L.,
PRESIDENT, TOWN MUNICIPAL COUNCIL,
CHITALDROOG.

To The Deputy Commissioner
Chitaldroog District

Sir,

With reference to your memo no Mk. 71/25-26 dated 31. 10. 25 forwarding for report a copy of the proceedings of the Public meeting of the citizens of Chitaldroog urging the abolition of octroi on all articles except cloth, I have the honour to state that the main grounds on which the abolition of octroi is urged by the citizens are: —

(a) that the toll system was introduced in the Town in the year 1921 on the understanding that the octroi duties would be abolished the toll-gate system would work well;

(b) that the Toll Revenue has been increasing year by year and that the same would increase still further if the levy of octroi is abolished;

(c) that most of the articles grown in the District are not imported into Chitaldroog town, but are taken to far-off places inclu-
sive

including Davangere where there is no levy of octroi on any article except cloth and their requirements can accordingly be purchased cheaper there than at Chitaldrug; (d) that the present levy of octroi in Chitaldrug town is a great hindrance to the expansion of trade and also to the opening of more factories and gins in the place; and (e) that the present income under octroi on articles other than cloth is insignificant and the loss resulting from the abolition of octroi on them is likely to be made good by increased receipts under I.T. and other taxes after expansion of trade.

2. The income of the Municipality from octroi on (i) cloth and (ii) other articles separately for the past six years is noted in the margin and as will be seen therefrom the average income a year on cloth comes up to Rs. 8438/- while all other articles put together bring in only Rs. 3484/-. At the time of the introduction of I.T. in the Municipality, the townspeople having objected that the new levy should not be

Year.	Cloth	Other articles	Total.
19-20.	8959	3905	12864
20-21	9185	3144	12329
21-22.	7253	2962	10215
22-23.	7833	3375.	11208
23-24	9114	3521	12635
24-25.	8282	4003	12285
Total Rs.	50626	20910	71536.
average for a year	8438	3484	11922

~~for Sanctioning the Report~~ the question of abolition of octroi, the Council had resolved on 28.9.20 that the question of exclusion of at least some of the articles from the levy of octroi would be considered after seeing how the toll-gate Scheme worked, (Vide Copy of the resolution enclosed) + the levy was sanctioned by Govt. in their order no. R.13269 Flag B
vol 202-20-2 dated 27.5.1921. In the year 1924, the Council recommended the abolition of octroi on all articles except Cloth, but the recommendation was not sanctioned by Government (Vide Secretary's letter no. L.7959 / vol 63-23-7 dated 4.4.1924.)

3. This question is thus not a new one, but it has all along been under the consideration of the municipal Council and the townspeople. It was again fully discussed by the Council at a special meeting held on 29-1-1926 and it was unanimously decided to revise the house tax within three months from that date and to take steps to levy octroi on petrol and tolls on motor cars and buses and resolved that as a substantial increase of income could be guaranteed from these measures, octroi may be abolished on all articles except betel leaves Kerosine.

Kerosine oil and piece-goods and cloth from 1.7.1926 and that Government may be approached to accord sanction to this proposal at a very early date (vide copy of the resolution herein enclosed).

4 The income derived annually from tolls since the introduction of the levy has been as contended by the petitioners, — gradually increasing as will be seen from the figures noted in the margin and the Council expects an additional income of Rs.2000/- nearly by the retention of octroi on betel-leaves and kerosine oil, as with the exception of cloth these are the main items from which the Council are at present realizing a substantial income as can be seen from the details of income on several articles for 1924-25 noted below:—

Year	Amount.
1921-22.	Rs. 5223/-
1922-23.	Rs. 6770/-
1923-1924.	Rs. 7206/-
1924-25.	Rs. 7787/-
1925-26.	Rs. 10000/-

Article		Amount
Cocoanut		Rs. 373
"	dry	74
Betel-leaves		653
Sugar		394
Jaggery		408
Ghee		346
Oil		326
oil seeds		840
Kerosine oil		725
Beedies.		185
Tobacco		197
	Total	Rs. 4043.

Yes

The loss of about Rs. 2000/- to the municipality by the abolition of the duty on other articles is confidently expected to be more than compensated by the increased income likely to be derived from the revision of the house tax and the levy of octroi and Toll on Petrol and Motor vehicles respectively. The contention of the Honourable that the trade of the town is handicapped owing to the existence of this impost in Chitaldurg and its absence in the sister municipality of Davangere does not also appear to be altogether groundless and as moreover the Municipal Council are confident that the measure proposed would bring about an expansion of trade and that in consequence their income under Tax and other sources would substantially increase, I request that you will be so good as to move government to sanction the resolution of the Municipal Council at a very early date.

5. Steps will be taken to revise the house tax and proposals for the levy of octroi on Petrol and Toll on Motor lorries and cars will be submitted separately.

6. The petition and its enclosures from Mr. M. Shivamurthappa, Chairman of the Public Meeting, received with your

Memo no. ME 71 of 25-26 dated 2.12.49 are herewith returned.

I have the honour to be
Sir,
Your most obedient servant

Sd/- Mohiyuddin Hussain
for President
Chittalang Town Municipality.

Secy

Proceedings of the Special meeting of the Town Municipal Council, Chittalarog, held on Friday the 29th January 1926.

Present: — S. Venkatarangam, Esquire, B.A; B.L., President

Mr Syed Mohiyuddin Hussain Sahib
Vice-President

Ex-officio Councillors:-

Present	Absent
1	2

Non-official Councillors:-

Present	Absent
15	2.

I Read:—

(a) Deputy Commissioners memo no. Mis 71 G-25-26 dated 2nd Dec 1925 forwarding a copy of the resolution of the meeting of the Town people, Chittalarog, praying for the abolition of octroi on all articles except cloth.

(b) Also memo no. Mis. 71 G-25-26 dated 22nd January 1926 from the same office suggesting that the Municipal Council should revise the house tax within before the expiry of three months and should guarantee a substantial increase of income from this source before any move can be taken for abolition of octroi on certain articles at least.

Resolution:—

The Town Municipal Council of Chittalarog in Special meeting assembled unanimously resolve that before the expiry of three months from this day

Dag

they will suitably revise the existing House-tax, take steps to levy octroi on Petrol, levy toll on Motor Busses plying for hire and Motor Cars and guarantee a substantial increase of income from these sources as they reasonably anticipate such an increase; in view of these facts the Municipal Council are of the opinion that the present levy of octroi on all goods except Betel-leaves, kerosine oil and piece-goods and cloth be abolished from 1.7.1926 as such a levy is at present hindering the growth and expansion of trade in Chitaldroog Town; and that Government may be approached to accord its sanction for the abolition of octroi on the goods referred to above at a very early date.

Sdy. S. Venkataranganna
President
Chitaldroog Town Municipality
29.1.26

"Copy"

Syed Mohyiddeen Nainaini
for. Secretary
Chitaldroog Town Mcty
24.2.26

Copy

Rcg. no
Chitaldrug.

GENERAL

The Secretary to the ~~Government of Mysore,~~
Local and Legislative Departments,
B A N G A L O R E.

Sir,

I have the honor to place before you a copy of the proceed -ings of the meeting of the merchants and other respectable citizens of Chitaldrug, held on Friday the 23rd instant at Chitaldrug. It is the unanimous opinion of all the merchants here that the present system of octroi duties on all articles except cloth is a positive hindrance to the advancement of trade and that if the octroi be abolished more income can be derived by the toll gate tax which has been already imposed. The summary of the discussions has been fully set out in the copy herein enclosed.

I respectfully pray that the benign Government of His Highness the Maharaja may be graciously pleased to abolish the Octroi taxes on all articles except cloth.

Chitaldrug.
29th October 1925-

I beg to remain,
Respected sir,
Your most obedient servant,
W. Thimmaiah
First Grade Pleader and
Chairman, Public Meeting.

Proceedings of leading merchants and other citizens of Chitaldrug held on Friday the 28rd October 1938 at in the Hall of the Government Normal School, Chitaldrug.

I. Proposed by Mr. M. Govinda Rao and seconded by Mr. N. Bhima that Mr. V. Tirumala Rao should take the chair.

Mr. V. Tirumala Rao opened the meeting and invited discussion the abolition of octroi duty as announced in the notice.

II. More than 150 persons were present at the meeting. Mr. B.V Ramiah of the Lakshminarayana Ginning Factory read a paper pointing out the several disadvantages under which Chitaldrug was suffering on account of the continuance of the octroi duty as now levied by the municipality and proposed that octroi duty on all articles except cloth should be abolished.

III. Messrs: (1) M. Ananthiah Chetty, Advocate, (2) M. Govinda Rao, land Holder, (3) N. Bhima Rao, pleader (4) C. Subbanna, land-holder, (5) B. Jivan Rao, pleader, (6) Cheluvaraya Chetty, merchant, (7) Setti Malappa, merchant & Representative Assembly member (8) K. Hanumanta Rao pleader and some others took part in the discussions.

IV. A summary of the discussions is briefly as follows:-

(A) Chitaldrug is almost in the centre of the District and has had the good fortune of being connected with the outside country by the railway communication. After the advent of the railway the town is gradually growing in importance and several substantially good decent shops and houses have been constructed in the extension Lakshmi Bazaar extension. The cotton press and the cotton ginning have been giving employment to hundreds of labourers.

(B) Groundnuts and other oil seeds such as til seeds and castor seeds and ginjelly seeds and tobacco are grown in abundance in the Chitaldrug Taluk and the lands irrigated by the Marikanve and under bagile wells in the Chellakere and the Molakalmuru is grown in plenty under the Marikanve Reservoir and and other tanks in the Di

wing list shows the

tri Tobacco 4000 ac

acres, Seeds

By canvassed [illegible] by
[illegible] the commodities grown in
[illegible] at in far off places like Bellary, the natura-
[illegible] purchasers.
[illegible] buying capacity of the merchants at Chitaldrug
[illegible] that of the merchants abroad and some importan
[illegible] have opened their branches at Chitaldrug also b
[illegible] serious consideration as to why these articles h
Chitaldrug.

Avoidance of taxation and more particularly the meth
ng the same is a bug-bear to the local purchasers a
who may otherwise be willing to find a market at
This is just the obstacle in the way of local merchants to
dutiable commodities when rates are favorable so that they
when selling rates are favorable.

(D) By way of example it may be observed how many pack
cigarettes and bundles are smoked and how many pounds of
sumed in the town of Chitaldrug as shown by the account
lity itself. Regard being had to the population an
rtance of the place, it can safely be said that
somewhere and the municipality has a right to be
realise. After all, the income derived
other than cloths is comparatively insignif

(E) When as a tentative measure the toll gate
t Chitaldrug in March 1921 it was done so on the
hat octroi duties would be abolished if the toll
oll. Ever since the introduction of the toll gate
nder that head has been steadily rising and if the
nconvenience of the modus operandi of the collectio
be octroi abolished altogether it can safely be
gate would fetch considerably more and more than of
tion of the octroi taxed (cloths excluding).

(F) By way of analogy the affairs of the Muta
core which is only a few miles from here may be
[illegible] some question who threatening that
[illegible] high to [illegible] her prayer for the
[illegible] on cloth [illegible]

ther importance of Davangere today. Cotton grown near about Chitaldrug taken to Davangere although Chitaldrug is quite near to these places. reason is ascertained to be that small traders find a ready sale for at Davangere and articles (on which duties are levied at Chitaldrug are available at cheaper rates at Davangere. These purchase such articles retail them to their customers, stocking them during the marriage season which is the busiest part of the year. But if they sell the same cotton at Chitaldrug they cannot get the aforesaid articles as cheap as they can get them at Davangere owing to the imposition of octroi on them

(6) By the abolition of the octroi not less than about 16,000 cart loads of articles (now duties) will rum into Chitaldrug bringing an increase of about Rs 4,000 under the head toll gate tax. It is an irony of Fate that Chitaldrug should not be given the advantages that the sister municipality of Davangere should enjoy.

By the abolition of the octroi on all articles except cloth, trade will increase and general prosperity will follow and more merchants will settle down at Chitaldrug, more houses will be constructed and extensions taken in hand bringing an increase under the head House Tax. More gins can be started creating occupation for a larger number of labourers. A great impetus will be given to the advancement of the place in every way.

The cotton season lasts only for 3 or 4 months in the year, during which period about hundreds of people will find employment. During the remaining period they will be completely unemployed. Now the cotton season being over the majority of labourers have no employment. It has now become a serious question for the consideration of the employers to provide for these, in the absence of the development of other brunches of . The abolition of octroi results in the expansion of trade which certainly creates different occupations for this class. Trade in various spheres will certainly solve to some extent the problem.

It is the unanimous opinion of the whole congregation that the octroi is a great hindrance to the expansion of trade at Chitaldrug, that will prosper without in the least injuring the finances of the by if the octroi on all goods except cloth should be abolished. will amount to setting our house in order. And

go

the

V. Resolved that a copy of the proceedings [illegible] (1) [illegible] ent of His Highness the Maharaja (2) to the Deputy Commissioner District (3) to the President, Municipal Council, Chitra[illegible]

VI. Resolved that a deputation of the following gentlemen should on the Deputy Commissioner to explain the whole question in person pray for the abolition of the octroi on all articles except cloth:-

Members:-

1. B. Venkataramiah, convener.
2. Nagesappa Mulla, cotton merchant.
3. Mahomed Hayath Sab, Representative Assembly member and merchant.
4. Siddalingappa, agent, Messrs Belly [illegible] Brothers.
5. Setty Subbaraysappa, General Merchant.
6. B. T. Virabasappa, Agent, Messrs. Brahmappa Tavanappanavar, merchants Davangere.
7. Patnada Murigeppa, General Broker and Grain Merchant.
8. Patnada Channabasappa, Grain Merchant.
9. Marvadi Punamchand, Broker and General Merchant.
10. Senna Yellappa, Cloth merchant.
11. Taruvappa.
12. Jadiappa

Dealers in Kaplis.

First Grade Pleader

C H I T A L D R [illegible]

Tel: Address:—DEPCOM. Chitaldrug. 36731

In reply, please refer to No. 2 R.71 dt 2-3-26
Enclosures. (2 nos)

OFFICE OF THE DEPUTY COMMISSIONER,
CHITALDRUG DISTRICT.

Dated Chitaldrug, 2nd *March 192* 6.

GENL. & REV. SECTION 4 MAR 1926

OFFICE OF THE COMMR. OF REVENUE 32441 - 5 MAR 1926

From

S. VENKATRANGAM, Esq., B.A. B.L.,
Deputy Commissioner,
Chitaldrug District.

G. D. SECTION 4 MAR 1926

To

The Secretary to Government,
Local and Legislative Departments,
Bangalore.

Sir,

In continuation of my letter No.71 M1.25-26 dated 1st March 1926 recommending that sanction may be accorded to the abolition of octroi on all articles except piece goods, cloth, kerosine oil and betel leaves in Chitaldrug municipality as proposed by the town Municipal Council, Chitaldrug, I have the honor to forward herewith for the information of Government copy of letter No.G.353/26 dated 25th February 1926 and its enclosure in original from the Traffic Manager Mysore Railways forwarding an extract from a note submitted to him by the Cotton Market Committee of Chitaldrug on the same subject and to state that the statistics furnished in the Traffic Manager's letter seem to emphasise the need for the early abolition of octroi at Chitaldrug as proposed by the Town Municipal Council.

I have the honor to be,
SIR,
Your most obedient servant,

R. Venkatrangam
Deputy Commissioner,
Chitaldrug District.
(Absent from Station)

S.V.

Letter No.G.353/26 dated 25-2-1926 from the Traffic Manager, Mysore Railways, Mysore to the Deputy Commissioner, Chitaldrug District.

I beg to send herewith an extract from a note given to me by the Cotton Committee of Chitaldrug and other merchants of that place some days ago

Would you be good enough to let me know if it is correct that you have kindly approached the Government to remove this grievance of the merchants of Chitaldrug? I am interested in the matter as I understand the traffic at Chitaldrug has fallen off considerably during last 3 years possibly due to this octroi duty as the following figures would show:-

Year.	Till seed Mds	Groundnuts. Mds.	Castor seeds. Mds.	Other oil seeds. Mds.
1923.	2714	1400	612	47916.
1924	1891	312	73	29806
1925.	912	176	42	37716.

I shall be obliged if you would kindly let me hear from you on the subje at an early date.

" C O P Y.

Deputy Commissioner,
Chitaldrug District.

S.V.

Extract from a note from the Cotton Committee of Chitaldrug.

The continuance of octroi duty and how it affects the Railway traffic.

(a) The traffic of the G.C.Railway is greatly affected and being reduced by the continuance of octroi duty which is also great hindrance to the development of commerce of this place.Octroi duty serves as a barrier for extending business. The bad effects of the continuance of octroi duty are numerous and some of the important ones are being dealt with here. Chitaldrug is almost in the centre of the District and has had the good fortune of being connected with the outside country by means of railway communication.After the advent of the railway and the gradual establishment of cotton trade in these four years the town is growing in importance.Still the development is very slow and the anticipated expansion of trade and prosperity is not reached.Instead of an increase there has been a fall of trade and consequently a gradual fall of export in the railway is being resulted in these 3 years. It is disappointing to find that,though Chitaldrug commands all the natural advantages,Davangere is enjoying,yet the development of trade is very unsatisfactory.It is sure that if some of the facilities like that of the removal of octroi and the establishment of the Banks are given it is certain that Chitaldrug will capture all the oil seeds and grain trade and there is no doubt that Chitaldrug will become an important centre of trade.It is a matter for regret,to see that a number of carts laden with spices and oil seeds are going to Davangere for sale even though there are purchasers who could buy these articles here.The difficulty is felt by both the parties,i.e,buyer and seller.The buyer cannot purchase these articles as he cannot stock them and the seller cannot sell them here as he shall have to pay the octroi duty and recover the same if he goes to Davangere where there is no Octroi.So the business in these articles at Chitaldrug cannot be practicable until and unless the levy of octroi duty be

removed.

(b) Oil seeds such as til,castor,jinjelly,linseed and curdy-seed are grown in plenty in the surrounding Taluks. Tobacco is grown under Harihanve,Hiriyur and Chellakere Taluks and foodm stuffs such as paddy,ragi and Jevari-grom and Udid a: are also grown sufficiently around Chitaldrug.

Chitaldrug attracts supplies even from distant places like Sira and Pavagada in the Tumkur District.The present supplies are only confined to cotton,but not of ~~xx~~ oil seed or tobacco though they are grown abundantly in those parts. The reason is ascertained to be that the moffusil dealers find a great difficulty in not only paying the Octroi duty but also the worry and the incivil treatment that they are receivi now.The statement showing the ~~xx~~ acreage and yield of oil seed and grain is hereto annexed.

Statement showing the chief commodities exported from Chitaldrug during the years 1923,1924,1925 and sowings of the crops in the respective years.

Year	Till seed.	Sowings.	Groundnut	Sowing	Castor seed	Sowings.
1923.	2714	3094	1400	5609	612	17014
1924.	1891	4766	312	12176	73	19049
1925	912	6622	176	10404	42	22309

Name of article.	Acreage of sowing.	Yield in local maunds.	Bengal maunds.
1.Tobacco.	3800	125000	41666
2.Groundnut.	10390	316650	105550
3.Til seed.	6622	X33000	11000
4.Castor seed.	17389	75000 (Excluding local consumption)	8000
			166216 By.maunds.

(c) If proper facilities are provided for the establishmen of grain and oil seed trade here and the hindering inconvenie ences of octroi duty be removed it can safely be guaranteed that the railway will get a traffic to the extent of nearly a lakh of maunds more.

(d) When there are several big and influential foreign

firms as Messrs.Ralli Brothers,Patel Brothers,Langley and Co., and Tatas and Davangere merchants Brahmappa Tavanappanavar and local merchants who have permanently established their shops here it can be said that the purchasing capacity of Chitaldrug is in no way less than the merchants abroad. If it is so,it is a matter for serious consideration as to why these articles have not been attracted by Chitaldrug.It is also a matter for consideration as to why the cultivators are bringing only the cuppas(cotton) into Chitaldrug for sale from Sira and Pavagada Taluks and not oil seeds and tobacco though these are grown in plenty in those Taluks.The reason is that the incidence of taxation and more particularly the method of recovering the same is a bug-bear to the local purchasers and moffusil dealers who may not be willing to come to Chitaldrug for the sale of their articles.This is also an obstacle in the way of local merchants to buy and stock dutiable commodities when rates are suitable so that they may sell them when selling rates are favourable.When there is no facility to stock these articles there is no opportunity to attract the supplies from outside country.When there is no supply of commodities into Chitaldrug there is practically no scope for business activity,consequently there is no traffic to the railway.

(c) Due to reasons stated above the dutiable articles as well as grain and cotton(to some extent) are now going to Davangere particularly (where there is no octroi) and to far off places like Bellary and to Malnad parts by road.So the export traffic in your Railway is going down from 3 years and the grain traffic is almost nil.The statistical information given to me by your railway shows the depression of export traffic from 1933. 1935 was the first year of the Cotton Market Committee to introduce grain and oil seed trade in this market.Through their efforts some business was carried out in that year and your railway was able to despatch 15 to 20 thousand maunds of oil seed and grain that year. Their effort to establish this trade here proved to be unsuccessful in the subsequent years as they could not overcome

the disadvantages of the octroi duty which is a matter beyond their control to rectify.As already stated the fall of trade may be noticed from the annexed statement(b)

(f) Even the import of the C.C.Railway is affected due to the continuance of octroi duty.Big and petty dealers from moffusils are not coming to Chitaldrug as they are getting the dutiable goods at cheaper rates in Davangere than Chitaldrug. The present import confines only to the consumption of the town proper.If Chitaldrug were to get articles from railway to satisfy the requirements of the suburbs and Taluk places from the railway must necessarily increase.Hence there is no scope for the import traffic to improve itself, Judging from the above mentioned facts and figures,it is evident that both the import and export of the C.C.Railway are greatly affected.

II. Abolition of Octroi and its results:- By the abolition of Octroi duty at Chitaldrug,not less than a lakh and fifty thousand maunds of dutiable goods will rush into this market and the railway gets this much of even half the quantity of export traffic,bringing an income to the railway to an extent of 10 to 15 thousand rupees annually.

By way of example the affairs of the sister municipality of Davangere may be considered.About 20 years ago the same question was threatening that place also and the Government was pleased to remove the restrictions of octroi duty. Ever since its abolition the town has shown greater improvement in trade activities and the present trade importance of that place is entirely due to the abolition of Octroi duty.

By the abolition of octroi duty trade in oil seeds, grain and tobacco will develop considerably.There will be greater scope for buyers to stock these articles.In the result the commerce of this place will expand itself in all its spheres. More merchants will settle down in Chitaldrug, greater supplies will be attracted,more houses will be constructed and trade will develop giving a great impetus to the advancement of the place in every way.Expansion of trade and consequent development of the general prosperity of

Chitaldrug will certainly improve the goods as well as passenger traffic considerably and the resources of the railway will improve to an appreciable extent.

It is encouraging to know that the Municipal council (in their recent sittings)after careful consideration of the various aspects of the question resolved in sympathy with the merchant class that the Octroi duty on all goods except cloth and kerosine oil be removed and the Government may be approached to accord sanction to the proposal.

The Director of Industries was pleased to receive a deputation consisting of merchants and replied that he would send up a recommendation to the Government.It is learnt that the matter is receiving the attention of Government.It is the unanimous opinion of the merchant class and the town people as well, that octroi duty is a great hindrance to the expansion of trade at Chitaldrug and it also affects the Railway traffic to a considerable extent and pray that you will be kind enough to take up the matter and do all that is necessary for the abolition of Octroi duty in the interest of the railway and the commerce of this place as well.

****

Copy
25.2.26.

TELEGRAPHIC ADDRESS: "INDUSCOM"

38018

In reply please refer to
No. G 772
28

GOVERNMENT OF MYSORE.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

OFFICE OF THE DIRECTOR,

Dated Bangalore, the 11th March *192* 6.

REVENUE 3570

FROM

ZAHIRUDDIN MECCI, ESQ., B.A.,
Offg: *Director of Industries and Commerce in Mysore,*
Bangalore (India).

REV. SECT.
Bn. L
12 MAR 1926

To

The Secretary to the Government of Mysore,
Local and Legislative Departments,
Bangalore.

Mil 29 - 25 - 7

SIR,

I have the honour to state that Mr. W. Tirumala Rao, Chairman of the Public Meeting of the leading merchants of Chitaldrug, held on Friday 23-10-1925 represented to me the various disadvantages under which Chitaldrug had been suffering on account of the levy of octroi duties by the Town Municipality on articles coming into the town. The Municipality has been collecting the duties on a large number of articles of general consumption e.g., ghee, cocoanuts, copra, jaggery, sugar, betel leaves, vegetable oils, kerosine oil, oil seeds, tobacco etc. The levy of octroi has affected the trade of Chitaldrug to a considerable extent. The natural advantages for the development of trade enjoyed by Chitaldrug on account of its situation in the cotton tract connected with railway, are of no avail. Apart from affecting trade, octroi duties have tended to raise the prices of commodities checking thereby their consumption and reducing the well being of the general public. The railway traffic of Chitaldrug is also handicapped by the restrictions placed on the free movement of goods on account of octroi duties.

Even on theoretical grounds there is no justification for the continuance of octroi duties on a large number of articles of general consumption. These duties are uncertain in their incidence. When imposed on the necessaries of life the burden on the payer is not in proportion to his means. It is wasteful as the sacrifice made by the

lic in payment of the duty is out of all proportion to the financial

P.T.O.

financial gains accruing therefrom. Their popularity is due to the f that their incidence is rapidly shifted by the payers on to the cons of the articles taxed.

Before making up my mind on the subject I wanted to know from Deputy Commissioner, Chitaldrug to what extent the Municipality of - Chitaldrug, depended on the receipts from octroi duties. He has writt to me in reply that the Municipal Council have recently gone into the whole question and passed a resolution urging the abolition of octroi duties on all articles except cloth, kerosine oil and betel leaves. Th appears to me to suggest the most reasonable course of action that may taken in this connection between the wholesale abolition of all octroi duties and the levy of duties on a large number of articles of general consumption as at present. I agree with the terms of the Resolution passed by the Municipal Council and to request you to kindly move Gover ment to accord their sanction to the proposals of the Municipality to abolish the levy of octroi duties on all articles except cotton goods, kerosine oil and betel leaves.

I have the honour to be,

Sir,

Your most obedient servant,

OFFG:DIRECTOR.

G.R.S. VI G 34]

SUBJECT.....

Diary No. of letter replied to 5510

Section Jud.

File No. 127-25

Serial No.

General and Revenue Secretariat

( )

, the 192 .

Proceedings of the Government of His Highness the Maharaja of Mysore

Date of issue.... 14/4/26

Signed by.....

Read—

Letter No Jud. 71 of 25-26 dy 1st March 1926 from the Dy. Comm. Chitaldrug Distt forwarding letter No 602 dy 22nd Feby 1926 from the President-Taluk Board of Town Municipal Council and requesting that under the circumstances detailed in the full report on the subject submd. by him the abolition of Octroi on all articles except cloth in the Chitaldrug Municipality may be sanctioned

Order thereon—No.

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette, English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

master applied to the resolution of the Municipal Council for the abolition of Octroi except on piece goods, cloth, Kerosine oil and betel leaves.

2. Further correspondence

ending with letter No. nil 71 of 25-26 dy 3d March 1926 from the same Officer forwarding Copy of letter No. G. 353/26 dy 25th Feby 1926 and its enclosures in original from the Traffic Manager, Mysore Railways forwarding an extract from a note subd. to him by the Cotton Merchants Committee of Chitaldrug on the same subject and stating that the statistics furnished in the Traffic Manager's letter seem to emphasise the need for the early abolition of Octroi at Chitaldrug as proposed by the Town Municipal Council.

Hy F.

3. Letter No. G. 772/C.S dy the 12th March 1926 from the Director of Industries and Commerce requesting for reasons stated sanction to the proposal of the Municipal Council of Chitaldrug to abolish the levy of octroi duties on all articles except cotton goods, Kerosine oil and betel leaves.

Hy E.

List of enclosures.

~~Order of~~

Copied by

Examined by

~~Government have accorded their sanction to the proposal of the Municipal Council of Chitaldrug to abolish octroi subject to the~~

Hy H.

WD 1929—GPS—1,000,00—11-12-29

G. R. S. G/33]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

Order No 1453-9

14/4/26.

The Municipal Council have at the Special meeting held on the 29th January 1926 resolved that before the expiry of three months from that date they would suitably revise the existing house-tax, levy octroi on Petrol and toll on Motor Busses and cars and guarantee a substantial increase of income and that in view of these facts the levy of octroi on all goods except betel leaves, Kerosine oil, piece goods and cloths be abolished from 1st July 1926 as such a levy hinders at present the growth and expansion of trade in the Chittaldrug Town. The proposals of the Council which are recommended by the Deputy Commr are supported by the Director of Industries & Commerce and the

WC 2000—6PB—1.26.26—25-1-26

Cotton Market Committee, Chittagong. These are the proposals for the abolition of octroi from 1st July 26 except petrol, kerosine oil, cloth and piece goods is accordingly sanctioned subject to the conditions mentioned in their resolution.

sanctioned subject to the conditions mentioned in their resolution.

L + L. Secy to Govt

The Dy Comd. Chittagong Dock
Comptroller to Govt
Dir. of Industries & Commerce.
Traffic manager, Assam Bengal
Rly
K 5/4/26